

FOR YOUR INFORMATION


City of Cincinnati



Interdepartmental Correspondence Sheet

Date: August 15, 2014

To: Mayor and Members of City Council

From: Scott C. Stiles, Interim City Manager 

Subject: **2014 Second Quarter Small Business Enterprise (SBE) Report**

Attached is the 2014 Second quarter SBE Report. The quarterly SBE Reports allow the City Administration to make an assessment of where it is in meeting the annual categorical goals and strategize or plan for the months to follow. The City's SBE annual categorical goals are 30% construction, 15% supplies/services and 15% professional services of the total dollars spent. Presently there are 466 certified Small Business Enterprises (SBEs) (including 20 Banks SBEs) in a pool of about 11,646 registered vendors, which compete for City business. The SBEs represent less than 4.0% of registered vendors with the City. The geographical base for certification eligibility is Hamilton County. Therefore, the determinative factor when measuring goal attainment is to look at the City spend with SBE vendors in Hamilton County compared to the City's all vendor spend in Hamilton County.

The City accomplished spending 20.4% or \$10,588,865 with certified SBEs in this Second quarter. The categorical breakout for spending equals 24.4% construction, 17.1% professional services and 11.1% supplies/services. The City's 2014 Second quarter SBE spend with certified small businesses located in the jurisdiction of Cincinnati was 24.6% or \$6,808,588 overall. The categorical breakout for the Cincinnati jurisdiction equals 33.4% construction, 12.1% professional services and 11.7% supplies/services. (The distinguishing factor between Hamilton County and Cincinnati for reporting purpose is done by zip codes and not street addresses. Some zip codes have dual jurisdictions.)

The targeted group for the City Council adopted SBE Program is small businesses. Small businesses can be majority owned, minority owned, men owned and women-owned businesses. The City Council adopted SBE program is race and gender neutral. However, the City tracks and reports its expenditures with certified SBEs that have voluntarily provided information on race and gender through the SBE application process. The voluntary information vendors provide on race and gender is not verified.

In Second quarter 2014, the City's SBE spend with minority SBEs (African American, Asian American, Hispanic American, and Native American) was \$2,441,373 or 23.1%. The City's SBE spend with women SBEs in Second quarter 2014 was \$2,135,570 or 20.2%¹. The Second quarter 2014 City's SBE spend with African-American SBEs (Cincinnati's largest minority demographic group) was \$2,044,820 or 19.3%. Since the City's SBE Program is race and gender neutral, there are no set goals for minority and women-owned businesses. Again, the voluntary information vendors provide on race and gender is not verified because of the nature of the City's legal SBE program. These demographic comparisons are based upon total SBE spend and not Total spend².

¹ To prevent double counting, minority-female owned companies are counted with the minority group only. Women SBEs consist only of white-female owned companies.

² The SBE Report compares demographic groups to total SBE spend and total spend. Attachment II (a) shows how the various ethnic groups fare within the targeted SBE group. Demographic groups are also compared to Total spend in Attachment II (b). Businesses are not targeted based on race/gender, because the City does not have a MBE/WBE program.

2014 Second Quarter Certification

Certification is for two years at which businesses must renew their certification. If businesses do not renew, the certification expires. OCC received 34 SBE applications in Second quarter 2014, most were renewals. To date, OCC has 466 certified SBEs (including 20 Banks SBEs) in the data base.

The Office of Contract Compliance recently purchased a new certification on-line system, B2Gnow. This system is being used by multiple cities throughout the nation (Cleveland, Chicago, Louisville, Denver and Philadelphia, to name a few) and should provide a more efficient process for applicants seeking certification with the City of Cincinnati. It is anticipated that the system should be fully installed by December.

2014 Second Quarter Outreach Highlights

OCC outreach for recruitment included participating in the SBA's annual Ohio Business Match Maker and the Northern Kentucky Diversity Exchange this past April. Also in April, OCC had representation at the District Three outreach mixer where SBEs networked with prime vendors selected to build the new police district. In May, OCC with Mason Tillman Associates, the Disparity Study Consultant, held three business community meetings. The purpose of these meetings was to update the business community on the Disparity Study in addition to strongly encouraging the business community to further participate in the Study. The sessions allowed for Q&A, testimonies from businesses on their experiences in contracting with the City and completing a brief survey. Lastly, businesses were asked to take part in one-on-one upcoming anecdotal interviews. Each session was well attended. The Second quarter also entailed OCC being a sponsor for the ACF Enterprises LLC sustainability education program at Techsolve. This is OCC's second year partnering with ACF to bring awareness about the competitive advantage and profitability for businesses in Going Green.

The OCC's multi-year television show, *Government and Small Business*, airs six days a week on CitiCable. This programming provides useful information to, for and about small businesses. In the Second Quarter, the show featured Sarah Anderson who provided information on MSD opportunities. Our second guest, Crystal Kendrick of The Voice of Your Customer shared information about her company and its involvement with the Affordable Care Act.

2014 Second Quarter SBE Spend Report

The 2014 Second quarter total expenditures with SBEs (SBE spend) are delineated in Attachment I. This document compares the total SBE spend to the total City vendor spend. The SBE spend report provides information broken down by geographical boundaries and categories representing the spending activity by the City with certified SBEs. The City's SBE annual categorical goals are 30% construction, 15% professional services and 15% supplies/services. There are no quarterly goals.

The data is generated from the Cincinnati Financial System (CFS) using object codes and the current on-line tracking system of SubConTrak. The SubConTrak system is an automated technically coded tracking system that interfaces with the CFS system to capture direct spend with SBEs and indirect spend with SBEs. Direct SBE spend happens when the City pays dollars directly to a certified SBE; indirect spend happens when payment is made to a certified SBE through a subcontracting scenario. The Second quarter SBE vendor spend for construction is 24.4%, 17.1% for professional services and 11.1% for supplies/services. The quarterly SBE reports allow the City Administration to make an assessment of where it is in meeting the annual categorical goals and strategize or plan for the months to follow.

2014 Second Quarter SBE Spend Report by Race and Gender

Tracking of the City's SBE spend with businesses based on race and gender is delineated in Attachment II (a) and (b). Attachment II (a) compares total SBE spend (or total expenditures with certified SBEs) to expenditures of certified SBEs that voluntarily identified race and gender. Attachment II (b) does the comparison of spend with SBEs that voluntarily identified race and gender to total spend. The City accesses information on race and gender when businesses provide the information voluntarily on the SBE application. Race and gender information provided by businesses is not confirmed because the City Council adopted SBE Program is race and gender neutral.

Conclusion

The quarterly reports are a snapshot of how the City is doing in reaching the annual categorical goals. An assessment of the quarterly reports provides information to determine if the City is on target of meeting the annual categorical goals of 30% construction, 15% professional services and 15% supplies/services. The information gathered each quarter is used to strategize for the coming months in meeting and/or exceeding the annual categorical goals.

All departments are being very cooperative and pro-active in meeting the City's SBE goals.

C: Rochelle Thompson, Contract Compliance Officer 

Attachments: City of Cincinnati SBE Spend, Attachment I
City of Cincinnati Demographic Spend to total SBE Spend, Attachment II(a)
City of Cincinnati Demographic Spend to Total Spend, Attachment II³
City of Cincinnati Department's SBE Spend, Attachment IV
OCC 2014 Outreach Calendar, Attachment V⁴

³ The SBE Report compares demographic groups to total SBE spend and total spend. Attachment II (a) shows how the various ethnic groups fare within the targeted SBE group. Demographic groups are also compared to Total spend in Attachment II(b). Businesses are not targeted based on race/gender, because the City does not have a MBE/WBE program.

⁴ Subject to change as more events come on line.

City of Cincinnati SBE Report - Actual Dollars Spent - Excludes MSD Expenditures*
Between 4/1/2014 and 6/30/2014

SBE Spend in Hamilton County				
Category	SBE Spend	Non-SBE Spend	All Spend	Percent SBE Spend
Construction	\$8,104,951	\$25,111,458	\$33,216,409	24.4%
Prof Services	\$1,181,844	\$5,727,323	\$6,909,167	17.1%
Supplies/Services	\$1,302,070	\$10,467,847	\$11,769,917	11.1%
GRAND TOTAL	\$10,588,865	\$41,306,628	\$51,895,493	20.4%

SBE Spend in Cincinnati				
Category	SBE Spend	Non-SBE Spend	All Spend	Percent SBE Spend
Construction	\$5,467,138	\$10,923,951	\$16,391,090	33.4%
Prof Services	\$544,543	\$3,964,320	\$4,508,863	12.1%
Supplies/Services	\$796,906	\$6,020,969	\$6,817,875	11.7%
GRAND TOTAL	\$6,808,588	\$20,909,240	\$27,717,828	24.6%

SBE Spend regardless of Location				
Category	SBE Spend	Non-SBE Spend	All Spend	Percent SBE Spend
Construction	\$8,104,951	\$28,250,891	\$36,355,842	22.3%
Prof Services	\$1,181,844	\$8,488,983	\$9,670,827	12.2%
Supplies/Services	\$1,302,070	\$20,765,131	\$22,067,201	5.9%
GRAND TOTAL	\$10,588,865	\$57,505,005	\$68,093,870	15.6%

Note: SBE goal attainment is based on percentage of City Certified SBE dollars spent as compared to total dollars spent in Hamilton County.

Non-competitive expenditures and contracts awarded to nonprofits, other government entities and interdepartmental transactions are excluded from the SBE Report

*** MSD has it's own SBE program. It is a dual Hamilton County/City organization and SBE numbers must be obtained directly from that agency. This report does include expenditures for Stormwater, since they go through the City's purchasing division of finance**

Demographic Breakdown of City of Cincinnati SBE Spend - Excludes MSD Expenditures*
Between 4/1/2014 and 6/30/2014

SBE Minority/Female Spend in Hamilton County

Category	African American		Asian American		Hispanic American		Native American		MBE		White Female		White Male		Undeclared		Total SBE Vendors
Construction	\$1,640,733	20.2%	\$206,648	2.5%	\$42,885	0.5%	\$0	0.0%	\$1,890,267	23.3%	\$1,220,517	15.1%	\$4,855,077	59.9%	\$139,090	1.7%	\$8,104,951
Prof Services	\$160,740	13.6%	\$126,441	10.7%	\$14,850	1.3%	\$0	0.0%	\$302,031	25.6%	\$447,766	37.9%	\$404,117	34.2%	\$27,930	2.4%	\$1,181,844
Supplies/Services	\$243,347	18.7%	\$5,728	0.4%	\$0	0.0%	\$0	0.0%	\$249,075	19.1%	\$467,288	35.9%	\$571,468	43.9%	\$14,239	1.1%	\$1,302,070
GRAND TOTAL	\$2,044,820	19.3%	\$338,817	3.2%	\$57,735	0.5%	\$0	0.0%	\$2,441,373	23.1%	\$2,135,570	20.2%	\$5,830,663	55.1%	\$181,259	1.7%	\$10,588,865

SBE Minority/Female Spend in Cincinnati

Category	African American		Asian American		Hispanic American		Native American		MBE		White Female		White Male		Undeclared		Total SBE Vendors
Construction	\$1,582,901	29.0%	\$52,312	1.0%	\$42,885	0.8%	\$0	0.0%	\$1,678,099	30.7%	\$970,835	17.8%	\$2,758,933	50.5%	\$59,271	1.1%	\$5,467,138
Prof Services	\$90,638	16.6%	\$70,324	12.9%	\$0	0.0%	\$0	0.0%	\$160,961	29.6%	\$239,848	44.0%	\$115,805	21.3%	\$27,930	5.1%	\$544,543
Supplies/Services	\$155,701	19.5%	\$5,728	0.7%	\$0	0.0%	\$0	0.0%	\$161,429	20.3%	\$326,162	40.9%	\$296,772	37.2%	\$12,543	1.6%	\$796,906
GRAND TOTAL	\$1,829,240	26.9%	\$128,364	1.9%	\$42,885	0.6%	\$0	0.0%	\$2,000,490	29.4%	\$1,536,844	22.6%	\$3,171,510	46.6%	\$99,744	1.5%	\$6,808,588

SBE Minority/Female Spend regardless of Location

Category	African American		Asian American		Hispanic American		Native American		MBE		White Female		White Male		Undeclared		Total SBE Vendors
Construction	\$1,640,733	20.2%	\$206,648	2.5%	\$42,885	0.5%	\$0	0.0%	\$1,890,267	23.3%	\$1,220,517	15.1%	\$4,855,077	59.9%	\$139,090	1.7%	\$8,104,951
Prof Services	\$160,740	13.6%	\$126,441	10.7%	\$14,850	1.3%	\$0	0.0%	\$302,031	25.6%	\$447,766	37.9%	\$404,117	34.2%	\$27,930	2.4%	\$1,181,844
Supplies/Services	\$243,347	18.7%	\$5,728	0.4%	\$0	0.0%	\$0	0.0%	\$249,075	19.1%	\$467,288	35.9%	\$571,468	43.9%	\$14,239	1.1%	\$1,302,070
GRAND TOTAL	\$2,044,820	19.3%	\$338,817	3.2%	\$57,735	0.5%	\$0	0.0%	\$2,441,373	23.1%	\$2,135,570	20.2%	\$5,830,663	55.1%	\$181,259	1.7%	\$10,588,865

This report shows the percentage of the SBE-MBE and SBE-WBE spend compared to total SBE spend, not total City spend. To compare SBE-MBE and SBE-WBE spend to the total City spend may understate the percentages due to additional MBE's and WBE's not being certified SBE's.

Non-competitive expenditures and contracts awarded to nonprofits, other government entities and interdepartmental transactions are excluded from the SBE Report

Companies race/gender status is subject to changes based upon a change in ownership or change in reported information by company.

* MSD has its own SBE program. It is a dual Hamilton County/City organization and SBE numbers must be obtained directly from that agency. This report does include expenditures for Stormwater, since they go through the City's purchasing division of finance

Information on race/gender is not verified or confirmed. The City's SBE Program is race/gender neutral.

Total City of Cincinnati Spend - SBE Demographic Breakdown - Excludes MSD Expenditures*
Between 4/1/2014 and 6/30/2014

SBE Minority/Female Spend in Hamilton County

Category	African American		Asian American		Hispanic American		Native American		White Female		White Male		Undeclared		Total SBE Vendors		Total Spend
Construction	\$1,640,733	4.9%	\$206,648	0.6%	\$42,885	0.1%	\$0	0.0%	\$1,220,517	3.7%	\$4,855,077	14.6%	\$139,090	0.4%	\$8,104,951	24.4%	\$33,216,409
Prof Services	\$160,740	2.3%	\$126,441	1.8%	\$14,850	0.2%	\$0	0.0%	\$447,766	6.5%	\$404,117	5.8%	\$27,930	0.4%	\$1,181,844	17.1%	\$6,909,167
Supplies/Services	\$243,347	2.1%	\$5,728	0.0%	\$0	0.0%	\$0	0.0%	\$467,288	4.0%	\$571,468	4.9%	\$14,239	0.1%	\$1,302,070	11.1%	\$11,769,917
GRAND TOTAL	\$2,044,820	3.9%	\$338,817	0.7%	\$57,735	0.1%	\$0	0.0%	\$2,135,570	4.1%	\$5,830,663	11.2%	\$181,259	0.3%	\$10,588,865	20.4%	\$51,895,493

SBE Minority/Female Spend in Cincinnati

Category	African American		Asian American		Hispanic American		Native American		White Female		White Male		Undeclared		Total SBE Vendors		Total Spend
Construction	\$1,582,901	9.7%	\$52,312	0.3%	\$42,885	0.3%	\$0	0.0%	\$970,835	5.9%	\$2,758,933	16.8%	\$59,271	0.4%	\$5,467,138	33.4%	\$16,391,090
Prof Services	\$90,638	2.0%	\$70,324	1.6%	\$0	0.0%	\$0	0.0%	\$239,848	5.3%	\$115,805	2.6%	\$27,930	0.6%	\$544,543	12.1%	\$4,508,863
Supplies/Services	\$155,701	2.3%	\$5,728	0.1%	\$0	0.0%	\$0	0.0%	\$326,162	4.8%	\$296,772	4.4%	\$12,543	0.2%	\$796,906	11.7%	\$6,817,875
GRAND TOTAL	\$1,829,240	6.6%	\$128,364	0.5%	\$42,885	0.2%	\$0	0.0%	\$1,536,844	5.5%	\$3,171,510	11.4%	\$99,744	0.4%	\$6,808,588	24.6%	\$27,717,828

SBE Minority/Female Spend regardless of Location

Category	African American		Asian American		Hispanic American		Native American		White Female		White Male		Undeclared		Total SBE Vendors		Total Spend
Construction	\$1,640,733	4.5%	\$206,648	0.6%	\$42,885	0.1%	\$0	0.0%	\$1,220,517	3.4%	\$4,855,077	13.4%	\$139,090	0.4%	\$8,104,951	22.3%	\$36,355,842
Prof Services	\$160,740	1.7%	\$126,441	1.3%	\$14,850	0.2%	\$0	0.0%	\$447,766	4.6%	\$404,117	4.2%	\$27,930	0.3%	\$1,181,844	12.2%	\$9,670,827
Supplies/Services	\$243,347	1.1%	\$5,728	0.0%	\$0	0.0%	\$0	0.0%	\$467,288	2.1%	\$571,468	2.6%	\$14,239	0.1%	\$1,302,070	5.9%	\$22,067,201
GRAND TOTAL	\$2,044,820	3.0%	\$338,817	0.5%	\$57,735	0.1%	\$0	0.0%	\$2,135,570	3.1%	\$5,830,663	8.6%	\$181,259	0.3%	\$10,588,865	15.6%	\$68,093,870

Note: SBE goal attainment is based on percentage of City Certified SBE dollars spent as compared to total dollars spent in Hamilton County.

Non-competitive expenditures and contracts awarded to nonprofits, other government entities and interdepartmental transactions are excluded from the SBE Report

Companies race/gender status is subject to changes based upon a change in ownership or change in reported information by company.

* MSD has it's own SBE program. It is a dual Hamilton County/City organization and SBE numbers must be obtained directly from that agency. This report does include expenditures for Stormwater, since they go through the City's purchasing division of finance

City of Cincinnati Small Business Enterprise Program
Performance for Hamilton County Spend

Period:	April 2014-June 2014													
			Construction			Professional Services			Supplies/Services			Total		
	Department #	Department	SBE Spend	Total Spend	SBE %	SBE Spend	Total Spend	SBE %	SBE Spend	Total Spend	SBE %	SBE Spend	Total Spend	SBE %
	090/091	ETS	\$1,204	\$1,204	100.0%	\$52,594	\$240,426	21.9%	\$257,067	\$381,360	67.4%	\$310,865	\$622,990	49.9%
	100	City Manager	\$525,338	\$11,244,265	4.7%	\$99,420	\$542,950	18.3%	\$24,086	\$860,360	2.8%	\$648,844	\$12,647,575	5.1%
	110	Law	\$0	\$1	0.0%	\$4,997	\$7,514	66.5%	\$270	\$5,711	4.7%	\$5,267	\$13,226	39.8%
	120	Human Resources	\$0	\$1	0.0%	\$0	\$42,862	0.0%	\$90	\$2,507	3.6%	\$90	\$45,370	0.2%
	130	Finance	\$0	\$1	0.0%	\$2,594	\$65,769	3.9%	\$38,359	\$640,956	6.0%	\$40,953	\$706,726	5.8%
	160	Trade & Development*	\$3,027,320	\$10,060,473	30.1%	\$14,850	\$723,494	2.1%	\$178,594	\$650,923	27.4%	\$3,220,764	\$11,434,890	28.2%
	170	Planning & Buildings	\$0	\$1	0.0%	\$31,765	\$100,756	31.5%	\$21,210	\$27,977	75.8%	\$52,975	\$128,734	41.2%
	180	Citizen Complaint & Internal Audit	\$0	\$0	0.0%	\$0	\$1	0.0%	\$0	\$0	#DIV/0!	\$0	\$1	0.0%
	190	Recreation	\$684,468	\$1,706,294	40.1%	\$2,200	\$83,642	2.6%	\$120,258	\$364,859	33.0%	\$806,926	\$2,154,795	37.4%
	200	Parks	\$237,054	\$490,621	48.3%	\$144,012	\$626,325	23.0%	\$68,378	\$271,892	25.1%	\$449,444	\$1,388,838	32.4%
	220	Police	\$0	\$1	0.0%	\$0	\$76,161	0.0%	\$100,109	\$581,048	17.2%	\$100,109	\$657,210	15.2%
	224 & 270	Fire	\$0	\$1	0.0%	\$14,040	\$142,341	9.9%	\$62,998	\$1,083,344	5.8%	\$77,038	\$1,225,686	6.3%
	230	Transportation & Engineering	\$1,206,289	\$1,942,593	62.1%	\$24,023	\$205,507	11.7%	\$21,483	\$47,843	44.9%	\$1,251,795	\$2,195,943	57.0%
	250	Public Services	\$986,979	\$2,329,120	42.4%	\$113,635	\$866,794	13.1%	\$107,720	\$4,040,719	2.7%	\$1,208,334	\$7,236,633	16.7%
	260	Health	\$6,046	\$34,268	17.6%	\$111,014	\$483,040	23.0%	\$150,045	\$639,331	23.5%	\$267,105	\$1,156,639	23.1%
	300	Water Works	\$1,418,706	\$4,702,807	30.2%	\$392,731	\$837,660	46.9%	\$133,577	\$2,027,511	6.6%	\$1,945,014	\$7,567,978	25.7%
	400	MSD	\$8,104,951	\$33,216,409	24.4%	\$1,181,844	\$6,909,167	17.1%	\$1,302,070	\$11,769,917	11.1%	\$10,588,865	\$51,895,493	20.4%
												\$0	\$0	
	240**	Enterprise Services	\$10,874	\$499,340	2.2%	\$173,002	\$1,842,708	9.4%	\$17,002	\$140,120	12.1%	\$200,878	\$2,482,168	8.1%

2014 Outreach Calendar, Attachment V

Date	Partnerships for Events	Events	Partnerships for Training	Training	Newsletter/Commu- nications	TV. Show- Govt & Small Business-Channel 23 (CitiCable)
Jan.						Greater Cincinnati Foundation
Feb						Diverse by Design
March	Mason Tillman	Disparity Study Kickoff - Urban League				Diverse by Design
April	1. Northern Kentucky Chamber; SBA Messer	1. NKY Diversity Exchange; 2. Ohio Business Match Maker 3. Police District Three Mixer	3. Ohio Department of Commerce, U.S. Dept. of Labor, MSD	Prevailing Wage Training for vendors and staff		MSD Opportunities
May	1. Mason Tillman; 2. City of Columbus 3. NKY Chamber	1. Disparity Study Business Meetings; 2. We Mean Business 3. NKY Chamber Chance to Meet	ACF Enterprises LLC	SBE Sustainability Education Program		The Voice of Your Customer
June			ACF Enterprises LLC	SBE Sustainability Education Program	<i>Small Business Matters</i>	World Wide Graphic & Sign Company
July			ACF Enterprises LLC	SBE Sustainability Education Program		MRO Express
August						Environmental & Safety Solutions, Inc.
Sept.						TBD
Oct.		SBE Trade Fair	Sorta/Metro			TBD
Nov.						TBD
Dec.					<i>Small Business Matters</i>	TBD

